(c) what is the action plan of the Government to help out this beleaguered lot?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) No, Sir. Government of India had announced a rehabilitation package for closed tea gardens to enable the owners of closed tea gardens to revive the gardens in the interest of tea garden workers. This rehabilitation package was notified in June, 2007 but so far, only one tea garden has availed the package.

(b) and (c) Plantation is a permissible activity under NREGA. Tea workers are eligible under NREGA to apply through NREGA processes for NREGA works. However, the pruning of tea bushes is not permissible under NREGA as it is part of the commercial operations of tea plantations carried out in land leased to companies and so the activity pertains to assets that are private in nature. Government is constantly interacting with Tea Garden Owners and Bankers to revive these closed tea gardens in the overall interest of the tea garden workers and the importance of this industry in the export performance of the country.

Import of plastic scrap

870. SHRIMATI RENUBALA PRADHAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government proposes to allow import of plastic scrap to help the industry in the global market;

(b) if so, the details thereof; and

(c) the details of action plan of Government to ensure that this does not become a dumping ground for plastic waste which might contain toxic wastes?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (c) Import of plastic waste, scrap and parings, except PET bottle scrap, is restricted for imports. There is no proposal under consideration of the Government to remove the import restrictions on these items.

Widening of FDI net

871. DR. T. SUBBARAMI REDDY:
SHRI GIREESH KUMAR SANGHI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has decided that Foreign Direct Investment (FDI) net likely to be widened in direct foreign ownership of firms, may be excluded from the definition of FDI;

(b) whether FDI was considered by Empowered Group of Ministers (EGOMs) on February, 2009 meeting;

(c) if so, what are main points that have been considered for widening FDI; and

(d) if so, by what time final decision in this regard is likely to be taken and to what extent it will be helpful for improving economy of the country?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) to (d) Government has issued, on February 13, 2009, Press Note 2 of 2009 on Guidelines for calculation of total foreign investment *i.e.* direct and indirect foreign investment in Indian companies and Press Note 3 of 2009 on Guidelines for transfer of ownership or control of Indian companies in sectors with caps from resident Indian citizens to non-resident entities. These guidelines were considered by a Group of Ministers and approved by the Cabinet Committee on Economic Affairs.

The salient features of Press Note 2 of 2009 on Guidelines for calculation of total foreign investment *i.e.* direct and indirect foreign investment in Indian companies are:—

(i) All investment directly by a non-resident entity into the Indian company would be counted towards foreign investment.

(ii) The foreign investment through the investing Indian company would not be considered for calculation of the indirect foreign investment in case of Indian companies which are 'owned and controlled' by resident Indian citizens and/or Indian Companies which are 'owned and controlled' ultimately by resident Indian citizens.

(iii) For cases where this condition is not satisfied or if the investing company is owned or controlled by 'non resident entities', the entire investment by the investing company into the subject Indian Company would be considered as indirect foreign investment.

(iv) As an exception, the indirect foreign investment in only the 100% owned subsidiaries of operating-cum-investing/investing companies, will be limited to the foreign investment in the operating-cum-investing/investing company.

Press Note 3 of 2009, on the guidelines on transfer of ownership or control of Indian companies in sectors with caps, from resident Indian citizens to non-resident entities, would ensure that, in sectors with caps, Government approval/FIPB approval would be required in all cases where an Indian company is being established with foreign investment and is owned or controlled by a non-resident entity; or the ownership or control of an existing Indian company, currently owned or controlled by resident Indian citizens and Indian companies, which are owned or controlled by resident Indian citizens, will be/is being transferred/passed on to a non-resident entity as a consequence of transfer of shares to non-resident entities through amalgamation, merger, acquisition etc.

The adoption of guidelines contained in Press Note 2 of 2009 will simplify, streamline and rationalize the methodology of calculation of indirect foreign investment across sectors leading to investor friendly, credible and predictable regulations. This would facilitate greater foreign capital

inflows and send a positive signal in the present difficult economic scenario. The adoption of guidelines contained in Press Note 3 of 2009 would ensure that approval of Government of India/FIPB would be required for establishment/change in ownership or control of an Indian company from resident Indian citizens to non-resident entities in sectors with sectoral caps.

Export of wheat

872. SHRI B.K. HARIPRASAD: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether with good foodgrain reserve stocks, low off-take by PDS and a promising Kharif harvest, Government is considering to lift the ban on wheat exports;

(b) whether the US Department of Agriculture's recent report has suggested that India may ease the two-year old ban on wheat exports shipments;

(c) whether the USDA report also suggests that in the event India decides to lift the ban on wheat exports, it requires extending an export subsidy; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) No, Sir. Wheat exports on private account have been banned till further orders. Wheat exports from Central Pool have also been banned. However. keeping in view the present Wheat stocks available in the Central Pool. Government has allowed exports of upto 20 lakh tons of Wheat from Central Pool on diplomatic basis to friendly countries.

(b) and (c) Yes. Sir.

(d) The US Department of Agriculture, Foreign Agriculture Service (FAS), in its Global Agricultural Information Network (GAIN) report published on 14.01.2009 has reported that the Indian Government may remove export restrictions on Wheat and make Wheat available from Government stocks for exports after the harvest in May. As per the USDA Report, because of the high support price of Wheat in India, Indian Wheat is unlikely to be competitive in the World market without an export subsidy.

Restricting FDI in sensitive sectors

873. SHRI DHARAM PAL SABHARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether in view of 26/11 terror attack in Mumbai, Government will restrict the entry of foreign airlines to invest in sensitive sectors like aviation and telecom;

(b) if not, the reasons therefor;

(c) whether allowing more Foreign Direct Investment (FDI) in aviation sector at this juncture is against the national interest; and

(d) if so, the steps being taken to block the FDI in aviation sector for security reasons?